

SUBSTANCE
OF
TWO SPEECHES
OF
MR. GALLATIN,

ON *K*
THE BILL FOR AUGMENTING

THE
Navy Establishment of the United States,

In the House of Representatives, on the 7th and 11th
of February, 1799.

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1799.

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MR. GALLATIN

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SPEECH

Delivered on Thursday, February 7, 1799.

THE House being in Committee of the whole on the bill for augmenting the Navy, and the first section being under consideration, to wit:

"Be it enacted, &c. That, under the orders of the President of the United States, and in addition to the naval armament already authorized by law, there shall be built within the United States, six ships of war, of a size to carry, and which shall be armed with not less than seventy-four guns each; and there shall be built or purchased, within the United States, six sloops of war, of a size to carry, and which shall be armed with, eighteen guns each, or not exceeding that force: all which ships and vessels shall be procured, manned and employed, as soon as may be, for the service of the United States. And in part of the necessary expenditures to be incurred herein, a sum not exceeding one million of dollars, shall be, and is hereby appropriated, and shall be paid out of any monies which shall be in the Treasury of the United States, not otherwise appropriated."

MR. GALLATIN moved to strike out the words, "six ships of war, of a size to carry, and which shall be armed with not less than seventy-four guns, each; and there shall be built or purchased within the United States;" in order to take the sense of the Committee on the propriety of building, at present, ships of the line. When this subject, he said, was last year before the House, the general opinion was, that during the present war, considering the crippled state of the French navy, frigates and vessels of a smaller size, were sufficient to protect our vessels on our own coast, and in the West-India seas; nor did that opinion seem to have undergone any material alteration; for although the Secretary of the Navy and the Select Committee had reported that the expence of building the six seventy-four gun ships now proposed would amount to 2,400,000 dollars, yet the appropriation asked for the present year was only one million of dollars. It was not expected that much more than one-third of the work necessary to send those ships to sea, could be executed during the present year. It was not expected that they could be finished in less than two or three years. They were not wanted for any immediate pur-

pose. The proposed measure was not, therefore, a measure of defence. It was a project of a general nature. The question is whether it be proper, at the present time, to lay the foundation of a navy, of a fleet that might be able, hereafter, to give us a certain weight in relation to European nations, that might be able to cope with the fleets of those nations. And it was in order to bring that question fairly before the Committee of the whole that he had made his motion. Should that motion prevail, it would not affect the building of the six sloops of war which were said to be immediately wanted, in addition to our present naval force, for the purpose of protecting our commerce. It would merely prevent the building, at present, a fleet which was supposed, by the friends of the bill, to be wanted only for future purposes.

The only argument given by the Select Committee in support of this new establishment, was inapplicable to the present question. It went only to shew that great protection had been afforded to our commerce by our present naval force. Supposing, therefore, that their calculations were correct, and that those advantages had been derived from our navy which they contended for, it would not follow that it was necessary, at present, to build a fleet which could not be applied to that object. Yet, as that argument was in itself fallacious, and calculated to make a wrong impression, he would examine the data on which it was grounded.

The Committee state that about the time of the sailing of our ships of war, the rate of insurance in Philadelphia stood as followeth:

To Russia,	Out 22½ per cent.	Home 22½
Sweden,	20	19½
Denmark & Hanse Towns,	17½	17½
Holland,	20	17½
Great Britain,	17½	17½
Spain,	17½	17½
France,	17½	17½
Portugal,	15	15
Morocco,	20	20
Italy,	27½	27½
China, & the East-Indies,	20	15
West-Indies,	17½	17½
Africa,	20	20

And that at this time insurance can be had at the following rates, in the same offices:

To Russia,	Out 14½ per cent.	Home 12½
Sweden,	12½	12½
Denmark & Hanse Towns,	10	10
Holland,	15	12½
Great Britain,	10	10

	Out $12\frac{1}{2}$ per cent.	Home $12\frac{1}{2}$
Spain,	—	—
France,	—	—
Portugal,	10	10
Morocco,	$12\frac{1}{2}$	$12\frac{1}{2}$
Italy,	$17\frac{1}{2}$	$17\frac{1}{2}$
China, and the } East-Indies, }	10	10
West-Indies,	$12\frac{1}{2}$	$12\frac{1}{2}$
Africa,	$12\frac{1}{2}$	$12\frac{1}{2}$

That our exports and imports for one year, may be estimated at one hundred millions of dollars, and the value of our vessels at twenty seven millions; and that the insurance having, according to the preceding table, fallen $7\frac{1}{2}$ per cent. on an average, there results a clear annual saving of nine millions and a half, which they ascribe solely to our naval force. The Committee thence conclude, that the saving in insurance, is a clear gain to the country greater than the expence incurred by the navy.

Mr. G. said he differed *in toto* from the Committee, both in their premises and conclusions, and must therefore be permitted to make some observations on this statement.

In the first place, whatever fall may have taken place in the rate of insurance, that fall must have been owing, at least, to two distinct causes, viz. to private vessels having been suffered to arm, and to public armed vessels. To decide precisely what share of the effect was produced by our public armed vessels, it would be necessary to know exactly what effects have been produced by private armed vessels; the balance might then be ascribed to our public force. Considering the manner in which our trade had principally suffered in the West-Indian seas, by row-boats, and other small vessels, there could be no doubt but the armed private vessels had been of much greater service in preserving our vessels from plunder, than our navy. And even in relation to those private armed vessels, the expence of arming and of a greater crew, must be deducted from the profit arising from a fall in the rate of insurance.

In the next place, it is very extraordinary that this committee should have at once supposed that the fall which has taken place in the price of insurance, has been wholly owing to our armed force. If this had been the case, it would have fallen most where our force was principally employed, viz. to the West-Indies. Has this been the case? It has not. The committee state, that the insurance to the Hanse Towns and Great Britain, was last summer, $17\frac{1}{2}$, and now only 10 per cent. that last summer it was to Italy $27\frac{1}{2}$, and now $17\frac{1}{2}$ per cent. that to China and the East-Indies, it was last summer 20, and now 10 per cent. and that to the West-Indies it was last summer $17\frac{1}{2}$, and now $12\frac{1}{2}$ per cent. Thus, by their own account, the insurance has fallen

10 per cent. to Italy, China and the East-Indies; $7\frac{1}{2}$ per cent. to Great-Britain and the Hanse Towns; and only 5 per cent. to the West-Indies. Had the fall of insurance been owing solely, as it is ascribed by the Committee, or principally to our navy, that fall would have been greater to that part of the world, where that navy had principally been employed and could afford the greatest protection. But the reverse was the fact. To the West-Indies, where that navy was principally applied, the fall of Insurance was the least. To Italy and China, where it could afford almost none, it was the greatest. To England and Hamburg, where more than one half of our exports and imports centered, and where our fleet had never been seen, it had fallen 50 per cent. more than to the West-Indies, where our navy had principally been stationed. This was at once sufficient to shew, how erroneous were the calculations of the Committee. All the scaffolding of their superstructure falls to the ground; and they have altogether mistaken the causes of the fall, in the rates of insurance. It was possible, Mr. G. said, when he attempted to assign reasons for the alteration which had taken place in the price of insurance, that he might also be mistaken: but it would not still be less clear that the Committee have been wrong.

Mr. G. believed the fall in the rate of insurance, had been owing to a variety of causes. One reason was, the rate had been fixed too high, and the trade of insurance had afforded too large a profit; and this opinion he drew from a simple fact, viz. that the dividends of some of the Insurance Companies, had lately been very exorbitant. One of these offices had declared a dividend of 20 per cent. for half a year, which is 40 per cent. a year. It is clear, therefore, that the price of insurance had borne no proportion to the risk incurred. In consequence, two or three new Insurance Companies had applied for incorporation acts, and some new offices had actually been opened on private account, which shewed the profits were so large, as to occasion a competition in the business.

Again, it is clear, that in April last, when the dispatches which were then received from France, were published, considerable apprehension of war was entertained, not only with France, but with Spain and Holland, from their connection with France; and in consequence, the price of insurance was much advanced in the months of May, June and July. Facts had occurred, he believed, to justify what he had stated to be the public opinion, with respect to Spain and Holland. He understood that insurance had been refused on the risk of vessels being detained in the ports of those nations; so great were the apprehensions of war with those powers, from the measures taken during the last session. This fear had now subsided, and the rate of insurance fallen in proportion.

Again, in relation to Europe, it is clear, that the measures which have been adopted both by France and by England, have tended to diminish the number of privateers in the European seas. France, either with the intention, or under the pretence of an intention, of invading England, laid an embargo on her own vessels and seamen, which had, in a great measure, locked up their privateers. And, on the other hand, the very measures adopted by Great-Britain, to prevent that invasion, had had the effect, by a complete blockade of the French ports, to detain there both their fleets and their privateers.

Another event had eminently contributed to diminish the rate of insurance, to the British West-Indies, generally. It was the evacuation of St. Domingo by the English. For the greatest danger, and the highest rate of insurance, were on vessels bound to their ports in that part of the island called the Bite of Leogane, where Port-au-Prince laid. And since the evacuation, that part of the trade and of the insurance being at an end, no mention of it could be made in the table given by the Committee.

Two other causes had contributed to produce this general effect. Whatever might be the sincerity of the French Government, in their apparent desire to put an end to the disputes now existing; it was not less true, that (and it was immaterial to what motives it was owing) they had relaxed in their conduct by sea with us. Their privateers were actually under greater restraints, and a general belief had taken place in the public mind, that they were more disposed to make peace now, than some time ago. Whether that belief was founded, or not, he did not mean now to examine; but it was sufficient that the belief existed, to cause a fall in the premium asked for a risk which was thus believed to be diminished.

Finally, within these six months, not only has the tone of the French been lowered, but their power has been diminished, from the destruction of her fleets and other causes; and that was also a powerful cause, of a greater confidence in ourselves, of an opinion, that as that nation had it less in their power to injure us, the risk of captures, and the premium of insurance, must be less than before. Hence, he concluded, that though he was ready to acknowledge, that our navy had been of some service in protecting our commerce, and consequently had produced some effect in lowering the rate of insurance, yet the extraordinary changes ascribed to it, were, in a great degree, produced by other causes, and the enormous and ridiculous calculations of the Committee, altogether groundless.

In relation to the amount of captures made by the belligerent powers, he knew but little, as he possessed no documents from which to collect this information. He knew that the Secretary of the Navy had said, that they amounted to four times the

amount of the expence of the navy, which he recommended; and that the Secretary of State, had estimated the amount of captures by the French alone, at twenty millions of dollars. Mr. G. said, he should be happy to see some documents relative to this subject. If any such were in the office of the Secretary of State, it would have been his duty to communicate them to Congress, in pursuance of a resolution passed during the last session, which directed him to do it. As he has not done it, we must infer, that he does not possess any documents or official information, and that his saying that those captures amount to twenty millions, must be considered as a vague assertion, unsupported by proof. Twenty millions was a round number, which had become fashionable. These captures were twenty millions eighteen months ago, and twenty millions now.

There is a way, however, of coming at their amount, within at least a million of dollars. By an application to the Insurance Offices of this city, New-York, Baltimore and Boston, for an account of the sums which they have paid, both for British and French captures, and by comparing the total amount insured, with the total amount of our exports and imports, a sufficiently correct calculation could be formed. If any gentleman coming from those quarters, and who are more immediately concerned in commerce, have made any such enquiry, he should be glad if they would favour the house with the result. He did himself, last year, obtain an account of this kind from one of the offices in this city; but the amount was so small, that he was astonished that the idea of twenty millions should ever have been fixed upon as the amount of captures by the French. Whether the amount of these captures have been three or twenty millions, is very immaterial as to our feelings of conduct towards a nation who has caused, or suffered these depredations to be made upon us. But, though this circumstance makes no difference with respect to that nation, it ought to have considerable weight on the question of a Navy. Because, in considering the policy and propriety of establishing a Navy, we ought certainly to calculate the expence, and the profits to be derived from it. It is only on this ground that we can say whether it will be for the benefit of this country to have a Navy, or not.

This led him naturally to consider the expence of that navy. It is stated by the Secretary of the Navy, that the annual expence of a 74 gun ship will exceed 216,000 dollars, and that therefore the annual expence of six of these ships will be about 1,300,000 dollars. That the building and equipping a 74 gun ship, exclusive of military stores, will be 842,700 dollars, and that the military stores will cost 48,000 dollars, so that the first building and equipping six of these vessels will cost about 2,400,000 dollars. This is the first expence, but nothing is

said of the yearly repairing and building which will be necessary to keep up a fleet of this kind. It is estimated, in the navies of Europe, that a ship of the line will last from 12 to 15 years, so that besides ordinary repairs, the whole expence of building would have to be renewed every 12 or 15 years. It would have been desirable, and it might have been expected, that the Select Committee should have laid before the House an estimate of the peace establishment of a navy to the extent proposed, in order to have enabled the House to have formed a just opinion on the main question. This they have not done; but supposing the other estimates to be perfectly correct; supposing that the expence would not overrun the calculations laid before the House, and, if so, it would be the first time it had not done it; supposing, according to those calculations, that a 74 gun ship will hereafter cost us less than two-thirds of what 44 gun frigates have heretofore cost us, it results, that the first necessary expence (including 150,000 for docks and timber) will exceed, for six ships only, two millions and a half of dollars, and that the annual expence of supporting them, when in commission, exclusively of annual repairs, and of building new ships necessary to supply those that from time to time will become unfit for service, will amount to 1,300,000 dollars. Whether it be proper at present to incur that expence for an object which, confessedly is not of immediate necessity, will be best determined by an examination of our present revenue and expences.

Dolls.

The revenue from imports and tonnage, was last year, and may be estimated at	7,400,000
Ditto, from internal duties,	600,000
Ditto, from land tax and stamp tax (allowing for the expence in collection, losses, &c.)	2,000,000

Neat revenue from taxes,	Dolls. 10,000,000
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Mr. C. did not think that ten millions would either exceed or fall short of the real revenue of the present year half a million.

As to our expences they would be found in the estimate of the Secretary of the Treasury before the House. The appropriations asked for the present year, are

Besides this sum, there are a number of items not included. In the first place, the interest and charges on the public debt and domestic loans, including 8 per cent. on six per cent. stock, amount to about	3,800,000
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But it is to be observed, that besides this, there are a number of articles for which appropriations have been made, which are not yet expended, viz. Fortifications, and an appropriation for the purchase of arms, establishing armouries, and

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founderies, &c. amounting to 1,500,000 dollars, of which this year there might be expended about 800,000

In the estimate for the Navy Establishment, the appropriation asked for the present year was only 1,160,000 dollars, but the expence was stated to be 2,980,000 dollars, the difference having been appropriated last session, and being more than 800,000

Total 12,800,000

From this must be deducted, on account of the additional army, as the whole number of men will not be raised within the year, about 1,300,000 dollars.

He supposed, therefore, that our expences will be about eleven millions and a half, for the present year, exclusively of the addition to the navy now proposed, of the expences for docks, &c. of the payments for British debts, and of the interest on the new loan. Therefore, not only the whole of the expence incurred by this addition to the navy, but at least one million and a half, and perhaps, two millions of our present expences, must be paid out of the five million loan, about to be opened, at 8 per cent.

It is not necessary, said Mr. G. to examine into the terms of this loan, whether they are too high, or too low. Supposing, for the present, that the terms are as good as could be obtained by the Secretary of the Treasury, it follows, that, in order to build this navy, we must borrow money at 8 per cent. irredeemable, for at least ten years, which was nearly equal to a perpetual annuity, of about 7 per cent. Mr. G. said it was unnecessary to say a word upon the extravagance of borrowing money, at this rate. It forcibly evinces, that provided a navy shall be necessary hereafter, for our protection, this is not the proper time to set about building it.

In the next place, if, said Mr. G. we consider this as a permanent establishment, and look at our permanent resources, and compare them with our permanent expences, it will not appear proper for us to go into the proposed expenditure. He had already stated our permanent revenue at ten millions, should the land-tax be continued. The permanent expences, supposing the additional army to be disbanded, may be estimated as followeth.

Civil List, Mint Establishment, Foreign Intercourse,	
Indian Trading-houses, Light-houses, Contingencies, Miscellaneous Claims, &c.	Dolls. 1,000,000
Permanent Army, (exclusive of the Additional Army,) consists of 5,000 men, and if we look at the appropriations heretofore made for 5,000 men on paper, it will never be found less than	1,500,000
Interest and charges on public debt, including interest on new loan,	4,200,000
Deferred Debt, which will become due in 1801,	1,200,000

Fortifications, purchase of military stores, and main-
taining the navy

2,600,000

Total 10,500,000

From whence it appears, that even if we shall disband the additional army, and exclusively of the claims for British debts, the expence of our permanent army, the navy establishment, the Diplomatic and Civil Departments, and the charges and interest on the public debt, will exceed by half a million, our permanent revenue, including in that permanent revenue, the land and stamp-taxes; und thus considering both of them as perpetual. It was under those circumstances, that the Legislature were called upon to build a navy, which was not immediately necessary.

Deducting the expence of the navy, from the preceding calculation, the other permanent expences of the Government would be about eight millions, and this is the amount of our revenue, deducting the land-tax and stamp-tax. It follows first, that a perpetual land-tax is necessary to support the navy, and, second, that every preparatory expence for any increase of that navy, must, in the first place, be paid out of a loan, at the rate of eight per cent.

If these premises are true, and he knew they could not be contradicted, the conclusion must be most forcible that it is improper at present to build a navy, especially since there is no immediate demand for it. But if once the foundation of a large navy is laid, no one can say where it will stop. The Secretary of the Navy does not suppose that six 74 gun ships will be sufficient; He supposes twelve necessary; six are now proposed merely as an entering wedge. And when once twelve ships of the line are obtained, if our commerce and coast, extensive as they are, must be effectually protected, these will not be deemed sufficient. He drew this conclusion from the naval force of European nations. Our tonnage exceeds that of any European nation, except Great-Britain and Holland; and if we must have a navy to protect our commerce, it must bear some proportion to the extent of our coast, to the amount of our tonnage, and to the navies of the European nations. And upon what terms are we to cope with the powers of Europe with respect to a navy? It would be recollected, that when last year there was a mutiny on board the British fleet, in order to put a end to it, the sailors wages were advanced to one shilling sterling per day, equal to thirty shillings sterling, or six dollars and two-thirds per month, whilst we give our seamen seventeen dollars a month, so that we pay nearly three times as much for men to supply our navy, as England does.

Mr. G. said, he would not detain the committee longer at present, though he meant to have made some observations with re-

spect to the expence of navies to those nations who support them, in order to shew that the expence of them far exceeds the benefits derived from them. If reference were had to European nations, it would be found, Mr. G. said, that navies were used more as engines of power, than as a protection to commerce.— Even with respect to Great-Britain, which is the only nation which has succeeded in effecting any material object by a navy though she has obtained a preponderacy at sea, and has been mistress of it for the last hundred years, yet it has been the means of involving her in almost continual wars, and the support of it has always been attended with enormous expence. He believed he was correct, when he stated, that from 1776 to 1789, the average expence of the navy of Great-Britain (including a period of seven years of war and six of peace) was six millions of pounds sterling a year. Now, said Mr. G. if we calculate the rate at which we shall be obliged to pay for every thing appertaining to a navy, what will be the sum necessary to support a navy of any extent here? Suppose a navy should only be one-tenth part of the British, and instead of 120 ships of the line, we should be content with twelve. The expence, according to the British rate of expenditure, would be 600,000l. sterling, nearly three millions of dollars a year; but when we know that we pay three times as much for our seamen as they do, it is impossible precisely to calculate what the expence would be.

In relation to European nations, it would be found, that none had ever derived any advantage from a navy, except Great-Britain. It has been said (and by high authority) that an extensive commerce cannot be maintained without a navy. In answer to this it may be said, that Spain has always had a considerable navy, but very little commerce; their tonnage compared with ours was insignificant, yet their's is the third navy in Europe. Holland, for a time, had a powerful navy; but they gave it up, as more expensive than beneficial, since the wars of Queen Ann. Yet their commerce, on this account, never diminished in any considerable degree. They are the second commercial nation in Europe; and they never suffer for want of a navy, except when they become a party in war; he conceived therefore, that a navy is not necessary to protect commerce. At this time, Mr. G. knew that the commerce of Holland was in a great degree annihilated; but so was that of France and Spain, notwithstanding their powerful navies. Holland being at the door of Great Britain, may, in time of war, be altogether blocked up by the fleets of that nation. Fortunately that was not our situation.

Mr. G. concluded by saying, that as he believed commerce might exist independently of a navy; that a navy would cost far more than it would ever benefit the country; and knowing our finances were not such as to admit of the expence, he must hope his motion would prevail,

SPEECH

Delivered on Monday, February 11, 1799.

THE bill for augmenting the Navy having been read a third time, and the question being "*Shall this bill pass?*"

MR. GALLATIN hoped that the extreme importance of the question, would be a sufficient apology, for his once more troubling the House on this subject. He had before confined his remarks to the arguments suggested by the Select Committee, in support of the measure. Judging both from the answer of the Chairman, (Mr. J. Parker) and from the silence of the gentleman from South Carolina, that the special position assumed by that Committee, in relation to the advantages actually derived from our present naval force, was untenable and in a manner abandoned; he would now proceed to make some observations on the general advantages that might be supposed, by its advocates, to be derived from a navy.

A navy was stated to be necessary and proper, as affording means of—defence against invasion—protection to commerce—and giving this nation a certain weight in the general scale of European politics.

In relation to invasion, he thought a fleet to be neither a necessary, nor a sure means of defence. Not sure, because, if an invasion ever was attempted, it must be by a nation possessed of a very superior naval force, and, in that case, what reliance could be placed on six 74's, against one of the great maritime powers of Europe, effectually to defend a coast of 1500 miles. Not necessary, because the events of last war had already proven that this country, even if invaded by the most formidable naval power in the world, had within itself the means of repelling the invader; because our defence must, in that instance, finally rest on the people themselves. To say with the gentleman from S. Carolina, that England owed her political existence to that navy which had prevented her from becoming a province of France, was only to shew the dissimilarity of situation of the two countries, and to prove that reasons of a superior nature had rendered a fleet essentially necessary to Great-Britain, which did not exist

in the United States. Nor was that gentleman more happy in his allusion to the invasion of Holland, since the fleet of that nation had never prevented her being invaded. Her navy, although then triumphant and mistress of the ocean, had not preserved her from the attack of Louis XIV. and it was not to her navy, that she owed at that time, her deliverance. The superior navy of her late ally, Great-Britain, had not been able to snatch her from the late French conquest. And a comparative view of these two invasions, must convince every man, that not in navies, not in regular armies, does the safety of a nation, in a great crisis consist, but in the union, the zeal and the bravery, of the mass of the people. In these, Mr. G. said he placed his sole confidence, against the danger of an invasion. But that danger, did not exist and was not seriously apprehended, either by the American people, or by their Representatives on that floor. No one did believe, that any nation would attempt an invasion of this country, or that an invasion if ever attempted, would be successful. He would, therefore, dismiss that part of the subject, and examine that ground, on which gentlemen seemed most to rely—the protection afforded by a navy, to commerce.

Much had been said on the duty of Government, to give as effectual protection to our floating property on the sea, as to the lands, houses and persons of our citizens, on our shore. Mr. G. did not think the position to be correct, in its full extent. The rights of property, the liberties of the people, and the independence of the nation, required a full and complete protection of every part of the country, against an invader, whatever the risk and expence might be. But as the advantages of commerce, were a mere matter of calculation, the defence to be afforded to commercial property, out of the territory of the United States, became also a proper subject of calculation, a question of profit and loss. He did not wish to draw any invidious distinction, between the commercial and agricultural interests of this country; but when, under pretence of protecting commerce, the nation was to incur an enormous expence, it became proper to examine to whom, on the supposition that a navy would effectually protect commerce, that expence would prove most beneficial, and by whom it must finally be borne.

Mr. G. agreed that the agricultural and commercial interest, were intimately connected together, to a certain extent. So far as the merchants, by their enterprize and industry, open new avenues of trade, for the exportation of our produce, increasing the demand, and thereby both the quantity and value of our exports; at the same time that they supply us with foreign necessary articles, from the cheapest markets and on the cheapest terms, so far the interests of commerce and agriculture are the same; so far commerce is directly and immediately beneficial to

the whole nation; and so far as this kind of commerce, could with propriety be protected, he would agree to protect it. But it ought to be observed, that more than one half of the commerce of this country, does not consist of either the exportation of our produce, or the importation of articles consumed in this country; but of a sort of extraneous staple. By the return lately laid upon our table, it appears that our exports, during the last year, amounted to 61 millions of dollars, 28 of which only, were our own produce, the other 33 millions, consisting of articles first imported from foreign countries, and afterwards re-exported, to various parts of the globe; and however advantageous this trade might be to the merchants concerned in it, it was of no direct service to the farming interest, or to the nation at large. In an indirect manner, indeed, it benefited in a small degree, the other parts of the community, by increasing the wealth of these merchants; by enabling them to pay a greater proportion of taxes, and by producing those general advantages, which may be supposed to result from the general increase of wealth of the nation. But, with respect to this extraneous trade, he was of opinion, that if it did not yield a sufficient profit to protect itself, without expence to the nation, it was not entitled to any extraordinary protection. If the advantages derived to the nation from this kind of commerce, cannot be purchased at a cheap rate, he would much rather abandon them altogether. Yet, when gentlemen speak of the protection of commerce, they always include this, as well as any other kind of commerce.

With respect to that part of our commerce, which consists of the exportation of our own produce, the profits are divided betwixt the merchant and farmer. The agricultural interest is so far benefited by this commerce, as the price obtained by this means for their produce, exceeds that which would have been obtained for it, had it been exported in the vessels of foreign nations. The profits are not, however, divided in an equal proportion—the greatest share goes to the merchant.

Mr. G. wished to apply these remarks to the expence contemplated by this bill, and to enquire what portion of it will be paid, and how much of the advantage will be received, by the farmer. The Chairman of the Committee, said, indeed, that the expence was immaterial, since the money would be spent at home, and only pass from one hand to another. No argument, in his opinion, could be more fallacious than this. He considered it of some importance to enquire, supposing this navy to give full protection to our commerce, into whose hands, and for whose benefit the millions which it is to cost, will principally fall? Suppose we raise a tax of four millions of dollars. Of this tax, nine-tenths will be paid by the farmers, manufacturers and mechanics, and one-tenth, at most, by the mercantile part of the community; since it must be paid in proportion to their respective consumption or real estates. Supposing that this navy shall prevent all future captures, more than one half of this advantage goes solely to the merchant, as the protection is extended, as well to the car-

rying trade of foreign productions which we do not consume, as to that which may be considered as a national commerce. And if the advantage, of this last is supposed to be equally divided between the merchant and farmer, one fourth part only of the benefit derived from the establishment, will be received by the farmer, and the other three fourths will go to the merchant. What is the result? We raise four millions, 3,600,000 of which will be paid by the farmers, manufacturers and mechanics, and 400,000 by the merchant; whilst the agriculturalists will receive only about one million of the profits, and the merchants, the other three millions. This is the way in which the money will be expended; and yet the gentleman from Virginia tries to make this business a mere shifting of property from one hand to another. It makes some difference, said Mr. G. to a man who pays a heavy tax, whether he is to receive any portion of the money back or not. If this money was to be spent in a distant part of the United States, it would make little difference to him whether it was expended in or out of the country. But he had, heretofore, gone on a supposition, that a navy was an efficacious means of protecting commerce, and the next question was, whether it answered that end, whether in fact, it was essential to the existence and support of that commerce.

Mr. G. considered an extensive commerce as depending upon the wealth of a nation; and that wealth depending, in the first place, on internal industry, and in the next, on the laws for the protection of property. If, said he, we turn our attention to any part of Europe, we shall find the commerce of countries depend invariably upon this wealth and industry, and not upon a navy. And the reason we are deceived with respect to Great-Britain, is, that we perpetually confound the effects with the cause. It is the internal industry, and the protection afforded to manufactures and commerce, in that country, which have produced its wealth, that wealth has produced its immense commerce, and has enabled them to support a powerful navy; but it does not follow, that her navy has effectually promoted and invigorated that commerce; and to say that it has created it; that their industry, their manufactures and commerce, have been produced by their navy, is a doctrine which cannot be supported.

Mr. G. said, he mentioned the other day, merely as a matter of fact, that Holland, without scarcely any navy at present, has an extensive commerce; and that Spain, with a great navy, has scarcely any commerce. All he intended to shew was, that a commerce might exist, without a navy, and a navy, without commerce. In order to shew this idea to be unfounded, what was the answer given? The gentleman from South-Carolina, altogether mistook the position, and went into a dissertation of the causes which destroyed the

navy of Holland and the commerce of Spain. These, Mr. G. said, were nothing to him; he had only stated the fact. And he would call upon gentlemen, putting England out of view, to shew in what country their navy and commerce bore any kind of proportion the one to the other. From Holland he would go to another country. He meant the Hanse Towns of Germany. Let us, said he, compare Hamburg, which has no navy, with the neighbouring countries of Sweden, Denmark and Russia, which have each of them considerable navies. It is true that the Hanse Towns had formerly a considerable navy; but finding that their commerce would not support the expence, they gave it up; and at this time, though Hamburg has an immense trade, she has not a single gun-boat at sea; whereas if we turn our eyes to their next neighbours Denmark, Sweden and Prussia, they possess sixty or seventy ships of the line, with very little commerce. He presumed, though Russia has forty ships of the line, the commerce of Hamburg is fifty times greater than that of Russia. Therefore it may be clearly inferred, that the sources of commerce are perfectly distinct from a navy; and that a navy is always created, more as an instrument of power, than for the protection of commerce.

If the merchants of Hamburg could have persuaded the inhabitants of Germany generally to pay taxes to support a fleet, they perhaps would gladly have had one in the same way that the merchants of this country wish for a navy, if they can prevail upon the farmers to pay taxes for that purpose; but Hamburg, though it is the chief sea-port of Germany, does not govern that country, and the people at large have not been willing to pay for that supposed protection of commerce; the merchants who well knew that it would be a greater expence than commerce itself would bear, have abandoned all ideas of a navy. Germany now enjoys all the benefits of commerce, without being burdened with the expence of a navy, and in fact suffers less in a commercial point of view, than the great naval powers; for, however war may rage on land, they carry on their trade without interruption; whilst those countries which possess fleets, the moment they enter into war, have their commerce immediately either curtailed or annihilated. He had not heard that the commerce of Hamburg had been more affected than that of Sweden and Denmark, during the present long and extraordinary war; that of all three has, at different times, been more or less interrupted, but the trade of this port has not suffered more than that of any other.

In relation to Holland, their navy arose from their situation. It is well known that when that country was created, they carried on commerce and war together; they conquered that part of the East and West-Indies which they possess by their vessels of trade; and having thus found themselves possessed of a powerful navy, they determined to dispute the dominion of Great-Britain at sea. What was the consequence? After sometime they found themselves more heavily taxed than any other nation, and they were, therefore, induced to drop their navy. From the treaty of Utrecht, in the year 1714, to this day, they have never had a fleet at sea more than two or three weeks at a time.

Last war they fitted out but one and but once, and this war they have fitted out two, one to be taken out at the Cape of Good Hope, and the other at the mouth of their own ports. He did not consider their fleet, therefore, as any protection to their commerce. Yet in what situation is that commerce? When the country is at war, it is true that it is annihilated, from their being situated at the door of Great-Britain. But, in time of peace, though it is not now so great, as it was formerly, yet it is very considerable; and its decrease is not owing to the decrease of their navy, but to the increase of the industry and wealth of neighbouring countries. So far, indeed, from their being weakened for want of a navy, they have enjoyed a greater share of tranquillity during the present century, than in the last, and, of course, their commerce has suffered less during the last period than it would have done had they acted the same part they did during the former.

If, said Mr. G. we turn our attention to ourselves, examine our situation, and compare our commerce with that of other countries, what is the result? We have had no navy, no protection to our commerce: During the course of the present war, we have been plundered by both parties in a most shameful manner; more perhaps than we should have been during any other war, on account of the nature of the present contest. The belligerent powers have not supposed themselves bound by the law of nations. The orders and the conduct of Great-Britain and of France have been in defiance of that law. Yet, notwithstanding all those depredations, what is our present situation? Year after year our exports and imports have increased in value; not only that part which includes our own produce, and the articles consumed in the country, but even that part which is merely the trade of our merchants, viz. the importation of goods from one foreign country, in order to export them to another. And this increase has taken place, notwithstanding the fall which our produce sometime ago experienced, and the suspension of our commercial intercourse with France. This proves that a commerce can be protected without a navy, whilst a nation preserves its neutrality.

Mr. G. said, that when we consider commerce as connected with a navy, we ought to consider the price of that navy; and it will be clear, that a navy will cost a great deal more than all the profits of the trade put together; profits which, as has been shewn, are unequally divided between the merchant and farmer, the farmer receiving less of the benefits and paying more of the expence of protection, than the merchant. Nor must it be forgotten that countries are involved in war in proportion to the extent of their navies. No man could doubt, said Mr. G. that if in 1793, we had had twelve ships of the line, we should have been involved in the present war, on one side or the other, according to the fluctuation of public opinion. And the protection of commerce ought to be taken into consideration in time of war, as well as in time of peace. Every one must be sensible of the immense losses that must be consequent on a state of war.

The price of this protection of commerce in England, has been equal to the whole of their immense national debt. He believed if the

exports and imports of that country were examined, and every possible profit allowed upon them, that profit would be found to be less than the expence of their navy. It is no consolation to us, it is no argument against naval expences to be told by the gentleman from S. Carolina, that England has spent more by land wars, than by sea, and with less success; but the fact is that a great part of those land wars may be fairly ascribed to her navy; her strength by sea having more than once been the principal reason which induced her to provoke wars, that might otherwise have been avoided had it not been for that cause. The defence and conquest of colonies, and the expensive and fruitless attempt to subdue America never would have been attempted. Notwithstanding the great industry and ingenuity of the people of Great-Britain; notwithstanding their extensive manufactures and wealth, the government of that country has laid its hands upon all the surplus capital of the nation, and applied it to the use of her navy and army.

But what will be the cost of a navy here? The house will remember that statements have been produced by the gentleman from S. Carolina, by the gentleman from Virginia, and by himself, which were not materially different from each other. Two facts appear well ascertained; the one, that this fleet is to be built and equipped out of the proceeds of loans; and the other, that its peace establishment must depend upon the land-tax, which, at present, is only laid for one year. These facts are not disputed. And this, said Mr. G. leads me to notice the loan which is now advertised, and about to be opened.

This loan is to consist of five millions of dollars at 8 per cent. irredeemable for ten years. It is out of this money, that we must build our fleet. A fleet which is not to be put into commission for two years, and may not be wanted in the course of the present European war. He would go farther, and say, that not only this fleet is to be paid for out of this loan, but it is meant to be a cover for this loan. So far as relates to the terms of this loan, if he might give his opinion upon it, he thought the rate of interest too great; when it is filled, it will be filled by banks and foreigners; or at least the whole of it that will not be subscribed by banks will eventually fall into the hands of foreigners. (The Speaker asked whether the gentleman from Pennsylvania thought these observations in order.) Indubitably so, said Mr. G. as I mean to establish the fact that if we do not pass this bill, we shall either want to borrow to a less amount, or perhaps have no occasion for this loan, and that therefore this bill ought not to pass. He had said, that not only the interest to be given for this loan is too great, but we shall have to pay it to foreigners, which will be sending 400,000 dollars a year out of the country. If, indeed, we have a real necessity for money, and it can be got on reasonable terms from abroad, it would be right to get it from that quarter; but when we consider that we are to pay them an extravagant premium for their money, it is an additional reason why we should not borrow it, if we can possibly do without it. Our revenue is allowed by all to amount to 10 millions,

and our expences for the present year, exclusively of this additional navy to be $11\frac{1}{2}$ millions and that if this bill does not pass, we shall therefore want at all events and at most but 1 million and half on loan; and although the appropriation for this bill is only one million, and although, therefore, it should seem that if this bill does pass, we shall want but $2\frac{1}{2}$ millions yet this bill is meant to cover the whole loan, and it is probable that the $2\frac{1}{2}$ millions remaining, which possibly may be lent to us at the rate of 8 per cent. by the banks themselves will be applied to repay to the bank the debt for which we now pay them only 6 per cent. If, on the contrary this bill is rejected, we may either take only $1\frac{1}{2}$ million on loan, or by repealing the law passed last year for an additional army, of which we stand in no need at present, the whole of the loan might be set aside by repealing the law which authorizes it. The more money we borrow, the further we shall go forward in these schemes, and the higher interest we shall pay. The gentleman from S. Carolina has said, we pay no more for interest than Great Britain pays. He did not believe this to be a fact. He did not know that that country ever paid more than 6 per cent. on the money they received, and as to the nominal capital they borrowed, it was of little consequence to them, since the idea of paying that principal was abandoned. There the amount yearly paid was the real debt. Its nominal amount an imaginary superstructure. But supposing Great Britain did pay 8 per cent. what consolation would that be to us? Certainly none.

When the fleet proposed is created, it must be supported, in peace as well as war. No estimate, as he before observed, has yet been made of the peace establishment; but he would shew, by another statement, that if we go on with this fleet, the increase of debt which it will occasion in four years, will render it necessary to make the land-tax a permanent tax. The gentleman from S. Carolina has, indeed, told us, that our population and our means increased in so rapid a way, that we might, without being frightened or astonished, go on to increase our debt to 10, 20, or 30 millions of dollars; that the debt which we now consider large, will, in a few years hence, when our means shall be thus increased, appear a mere trifle. So that, according to that gentleman, we are constantly to increase our taxes in proportion not only to our present means, resources, and population, but in proportion to what we expect they may hereafter be; and to what purpose is that increase of taxation to be applied? Not to the discharge of our present debt; not to the encouragement of agriculture, manufactures, or any thing really useful to society—but to the payment of the interest of a large debt which we shall create in the establishment of a Navy; and because it is supposed that we may hereafter be able to pay this interest, we are told that we ought to pass this bill without hesitation.

Mr. G. said, he gave credit to the candor of the gentleman from S. Carolina; it was coming to the point at once. This bill cannot be passed, without contemplating a debt of this kind. Mr. G. said, he had made a statement for four years to come, upon the ground that

our present expences will continue what they are; that in relation to the vessels proposed, it will take two years to build them, and that they will not come into commission until the third year. He had taken the estimate on the table for the cost of the vessels (though there is reason to fear they will cost double the sum at which they are estimated) and reckoned nothing for repairs for the four years.

In 1799, our expences will be, 12,750,000

1800, 14,850,000

1801, 15,450,000

1802, 16,750,000

Our revenues Mr. G. said, as he had before shewn, is 10 millions of dollars; and therefore whatever our expences are above that sum, must be met by either borrowing money, or providing new taxes. The excess of expenditure over our actual revenue for four years, will be, according to this estimate, 19,800,000 dollars. From this sum must, indeed, be deducted a part of the Dutch debt of 2,300,000 dollars; the payment of which is included in the above statement and leaves an increase of debt or taxation of 17,500,000 dollars. The interest on this increase of debt if no new taxes shall be laid, will lay upon us a perpetual additional burthen of 1,500,000 dollars.

(vide note at the end)

This principle is not denied, but it is contemplated by the gentleman from S. Carolina, and contemplated with boldness. Mr. G. confessed he did not think a sum of this kind worthy of so little consideration. That gentleman says we shall be able to bear it. This I doubt not, said Mr. G. if it must be paid, we must bear it. But the gentleman goes on to say that we pay less taxes than any other nation, and therefore ought not to complain. Mr. G. did not know this; and wished the gentleman from S. Carolina had brought forward facts to have proved it. He knew that we pay less than Great-Britain, Holland or France; but he knew also that we are only about beginning a system which has been in operation in Great-Britain for a century, in France for a century and a half, and in Holland for two centuries. He was not surprized, therefore, that we should, at this time, pay less taxes than those countries; but, paying what we do at present, if we follow their steps, as we are now proposing to do, by building a Navy, and increasing our debt, it cannot be doubted, that, before our system has been as long in existence, as theirs have been, we shall pay as much as they do. What, asked Mr. G. do we pay now? To the general government ten millions of dollars. How much do we pay to the state governments? How much for poor rates, county taxes, &c. Suppose these do not exceed two millions of dollars. That will make twelve millions of dollars, to be paid by four millions of white people—about three dollars a head annually. He did not think this a very low tax. He recollected that just before the French revolution took place, according to Mr. Necker's calculations, notwithstanding the corruptions, abuses and oppressions of that government, the taxes, upon an average, were not five dollars a head, before the American war, in Great Britain, the annual taxes were

about ten millions, which divided amongst eight millions of people, was 25s. sterling, or about 5 dollars and half a head; and when we consider the immense wealth of that country, and the extravagance of their government, and compare it with our situation, it must be allowed that the sum which we pay, is by no means inconsiderable. He believed the money now raised from the people, was quite as much as could be raised with convenience. He knew we could raise more; but he believed not without inconvenience to the people. In the country, the quantity of circulating medium is so small, that it will be with difficulty that the present taxes will be paid. It was on this account, that the land-tax had proved so unpopular in some parts of the middle states, where the people had always been remarkable for their attachment to the general government, and it is a sufficient reason for saying that taxes are heavy enough, when people who cannot be charged with being antifederalists, jacobins, or disorganisers, complain bitterly of the weight which they already bear. In the part of the country where he lived, he knew that to pay the duties on excise and the direct tax, would require more money than there was circulating medium, and that they could not be paid two years, unless greater quantity of money was expended here by government in the purchase of produce, than the amount of the taxes.

Having considered the manner in which the money for the Navy is to be raised, and the degree of protection which it is calculated to afford, he would now consider the Navy as an instrument of power. And he believed this was not the least favourite object of the supporters of this bill. He agreed that Navies had always been great engines of war and conquest. So far as a Navy would tend to create new officers, or to cause new contracts, it would be the means of extending the power of Administration at home; and so far as this might be the object, it would doubtless be answered; but he meant to consider it only as an instrument of power abroad.

It appeared to him that Navies had been principally employed for the protection of colonies abroad, or to increase the influence of the nation to which they belong in the rank of nations. In relation to colonies, said W. G. we want no Navy, as we have none, and he hoped never should have any. He trusted it would be our policy to be satisfied with our own immense territory, without seeking for wealth in foreign conquests and establishments. In relation to the West Indies, though they lie near us, he considered a project of obtaining possession of those islands, as the most fatal policy that could be adopted; he hoped we should always trade with them, but never possess them. Yet if we have no use for our Navy; after we have got it, the having a fleet may be made use of as an argument for endeavouring to obtain some part of the West Indies, and otherwise extending our power.

As an instrument of power, however, and as such he was persuaded gentlemen were chiefly in favour of it, it has a tendency to destroy its other object, viz. to protect commerce, by involving us in wars, and inducing us to interfere in the political interest of Europe.

The Navy will injure commerce in another respect, by raising the wages of seamen, which it must do, unless we adopt the British mode of pressing men; a practice which, *at present*, he did not believe would meet with the approbation of this legislature.

But in what manner is this Navy to be applied in order to give us a weight in the scale of European nations? And what are the general political objects of the supporters of this new establishment? As an inducement to pass this bill we are told on this floor, that the Navy of Great Britain has enabled her to assume the first rank amongst the nations of Europe, and above all to curb the ambition of France. From higher authority we have heard that it is a most desirable object to prevent that relapse into Barbarism with which now that nation threatens Europe. And at the opening of the first session of this Congress, the President of the United States told us, "It is a natural policy for a nation that studies to be neutral, to consult with other nations engaged in the same studies and pursuits." Will not now the reverse of that proposition be supported? Will it not be said, that "It is a natural policy for a nation that studies not to be neutral, to consult with other nations engaged in the same pursuit." And if under the impression of the first sentiment an embassy to Prussia originated, will not administration, under their present impressions, throw this navy in the scale of a new coalition against France, form a more intimate connection with Great Britain, and seek for nations engaged in similar pursuits with themselves, by sending embassies to Russia and Constantinople. Our navy is intended for the common service of mankind. The united banners of Mahomet and of America are to re-establish true religion in France. And in order to check a relapse into Feudal barbarism, in order to promote civilization in Europe, we are to receive the assistance of the Tartars of Russia, of the Cossacks of Ukraine, of the Mamelukes of Egypt, and of the Moors of Africa. These are designed as our hopeful allies; and I should think, continued Mr. G. that instead of wasting the treasure and shedding the blood of the freemen of America in this new crusade, our quota, to make the whole an homogeneous mass, ought to consist of Cherokees and Mohawks.

I am alarmed, said Mr. G. at the idea of creating a navy with a view of throwing our weight into the political scales of Europe: it is carrying our views beyond all rational bounds. The excesses of the French Revolution, the dislike which we have to some of their writings, their proceedings with respect to religious establishments, and our great desire to restore religion and order, induce us to believe that we ought to take an active part in bringing France to her senses; it appears desirable to the friends of this bill, that we should spend our blood and treasure to prevent or cure these evils. Mr. G. owned he had no such wish. I know not, said he, whether I have heretofore been indulging myself in a visionary dream; but I had conceived, when contemplating the situation of America, that our distance from the European world, might have prevented our being involved in the mischievous politics of Europe, and that we might have lived in peace,

without armies and navies, and without being deeply involved in debt. It is true, in this dream he had conceived it would have been our object to have become a happy, and not a powerful nation—or at least, no way powerful except for self defence. He had not conceived that power was to be accumulated in the hands of the Executive, and a few other persons, in order to increase our weight in Europe, or with a view of feeding the ambition of these individuals.

To be happy, as we have heretofore been, ought, in his opinion, still to be our object; for, said Mr. G. when we enter upon the career proposed to us, do we know where to stop? When we are told, that an increase of debt is contemplated, according to the increase of our population, it is an avowal that we mean to follow the example of the great nations of Europe.

These considerations, Mr. G. said, produced an alarm in his mind, at this bill, and would determine him to vote against it. He trusted, that, after the present popular fervor had ceased, our successors, guided by public opinion, would put a stop to schemes of this kind: and he did believe that if the House could have firmness enough to reject this bill, though the popular opinion might, in some quarters, be in favour of it at present, when the subject came to be seriously considered by the people, the impolicy of the measure would be seen, and the measure never again be proposed with any prospect of success. However, whatever might be the public opinion upon the subject, he must comply with his own convictions of its evil effects, and oppose its passage.

Before he sat down, Mr. G. said, he would take notice of a quotation which had been made from the opinion of a gentleman high in office in the U. States. He was always disposed to listen to the opinions of men superior in talents and information, and to none more than to those of a gentleman for whose integrity and abilities he entertained the highest respect. But still if after a fair examination, he believed them erroneous, his authority would not, with him, be an argument forcible enough to abandon his own sentiments and to induce him to vote for a measure which that gentleman had recommended fifteen years ago. Yet, if he understood the quotation, there was nothing in it applicable to our present situation. That gentleman had fifteen years ago gone on a supposition then not improbable, that we should not apply our resources to an increase of debt, that we should have no assumption, no perpetual funding system, and he proved the practicability of a navy, on the supposition that Virginia, for her quota, might pay a million of dollars towards it. Nor had that gentleman any idea of our having at the same time a standing army of 14,000 men. But now, without a fleet, our present expences are already ten millions of dollars, two millions of which are paid by the state of Virginia. Can Virginia, under these circumstances, pay the additional million for that purpose? The question is not whether we might without inconvenience, in case we had not swelled up our debt to near ninety millions of dollars, and in case we had not it in prospect to spend four or five millions a year on armies, apply four or five millions a year on a navy, but whether it is proper at this time to add that burthen to those we already bear.

NOTE.

Revenue.

Impost and tonnage,	Dolls. 7,400,000
Excise, licenses, &c.	600,000
Stamps,	200,000
Land-tax, nett produce,	1,800,000
	<u>10,000,000</u>

Expenditures for the year 1799.

Civil list,	520,000
Foreign intercourse, viz.	
Diplomatic department,	73,000
Agents and other contingencies	
under British & Spanish treaties,	87,000
Aid to American seamen abroad,	20,000
Mediterranean powers,	200,000
	<u>380,000</u>
Military and other pensions,	100,000
Light-houses, miscellaneous, contingent,	100,000
	<u>1,100,000</u>
Army, permanent,	1,500,000
Additional,	1,200,000
	<u>2,700,000</u>
Fortifications, arms, &c.	800,000
Navy, as already established,	3,000,000
Appropriation for additional docks, &c.	1,150,000
	<u>4,150,000</u>
Interest and charges on debt, including	
six months on new loan,	4,000,000
	<u>12,750,000</u>
Total expenditures,	-
Taxes,	10,000,000
New loan,	5,000,000
	<u>15,000,000</u>
Surplus for 1799,	<u>2,250,000</u>

Expenditures for 1800.

Civil list, foreign intercourse, pensions, miscellaneous,	Dolls.	1,000,000
Army,		4,200,000
Fortifications,		700,000
Navy, support of permanent establishment,	2,500,000	
Ditto, of additional sloops,	350,000	
To complet building of 74's,	1,500,000	
		<u>4,350,000</u>
Interest and charges on public debt, including interest on the five millions new loan,		4,200,000
Instalment of Dutch debt,		400,000
		<u>14,850,000</u>
Taxes,	10,000,000	} 12,250,000
Surplus of 1799,	2,250,000	
		<u>2,600,000</u>

Deficiency,

2,600,000

Expenditures for 1801.

Civil list, &c.	1,000,000
Army,	4,200,000
Navy then in commission,	4,150,000
Interest and charges on public debt, including deferred debt and interest on 7½ millions new loan,	5,600,000
Instalment on Dutch debt,	500,000
	<u>15,450,000</u>
Total expenditures,	15,450,000
Revenue,	10,000,000
	<u>5,450,000</u>

Deficiency,

5,450,000

Expenditures for 1802.

Civil list, &c. army and navy as in 1801,	9,350,000
Interest and charges on public debt, including deferred debt and interest on 13 millions new loan,	6,000,000
Instalment of Dutch debt,	1,400,000
	<u>16,750,000</u>
Total expenditures,	16,750,000
Revenue,	10,000,000
	<u>6,750,000</u>

Deficiency,

6,750,000

Accumulation of debt in four years.

1799—New loan,	5,000,000
1800—Deficiency,	2,600,000
1801—Ditto,	5,450,000
1802—Ditto,	6,750,000

19,800,000

Deduct Dutch debt paid,

2,300,000

Increase of debt,

17,500,000

Additional PERMANENT burthen arising from that increase of debt.

Interest at 8 per cent. on 19,800,000 borrowed, is 1,584,000

Deduct interest at 4 per cent. on 2,300,000 paid, 92,000

Additional permanent taxes,

1,492,000

¶ Since the above was written, it is found that the navy and foreign intercourse appropriations for 1799, exceed the sums herein stated: They are as follow, to wit:

For the Navy.

Navy, as established by acts of preceding sessions, to wit:

Pay and subsistence, contingent expences and medicines,	2,222,315 70
Marine corps,	237,788 38
Support of revenue cutters,	117,591 92

2,577,696 00

Deduct for vessels which will not be in service more than six months,

540,385 81

2,037,310 09

Completing the vessels already authorized by law, military stores, &c.

1,004,504 24

Total of navy as heretofore established,

3,041,815 33

New appropriations for additional navy, viz.

For building ships of the line, &c. 1,000,000 00

Docks, timber, 250,000 00

Support of six additional sloops, 302,862 60

1,552,862 60

Total,

4,594,677 93

For foreign intercourse.

Diplomatic department,	169,000
Embassy to Constantinople,	30,000
Agents and contingencies under British and	87,000
Spanish treaties,	20,000
American seamen,	251,987
Mediterranean powers,	
	<u>497,987</u>



It is to be observed that the above is a statement of the expenses of the Foreign Office for the year 1850, and not of the year 1849, as the accounts for that year are not yet closed.

The Navy, as established by the Act of 1845, is to be maintained by the Treasury, and the expenses of the Navy are to be paid by the Admiralty. The Navy is to be maintained by the Treasury, and the expenses of the Navy are to be paid by the Admiralty.

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